GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1736
ANSWERED ON:08.03.2001
EX-STORAGE PRICE OF DIESEL LPG PAID TO REFINERIES
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the wholesale ex-storage price of diesel and LPG paid to different refineries/producers;

(b) the rates and amount of different Central and State taxes, duties, etc. leading to final price build up at which these products are available to consumers in Delhi;

(c) the manner in which subsidy is given to refineries/producers/consumers; and

(d) the manner in which the refineries earn huge profits if they are selling their products below production cost?

Answer

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): Pursuant to the decision taken by the Government in November, 1997 on phased programme of dismantling of administered pricing mechanism, the refineries/producers are being paid on import parity basis for the controlled petroleum products including diesel and domestic LPG with effect from 1-4-1998. The provisional tariff adjusted import parity price for diesel and domestic LPG for the month of March, 2001 is Rs. 9296.18 per kilo litre and Rs. 18027.45 per metric tonne respectively.
The applicable rates of customs/excise duty and sales tax on diesel and domestic LPG at Delhi are given in Annexure.
The oil marketing companies sell the controlled petroleum products at the ex-storage point price. The difference between the ex-storage point price and import parity prices payable to the refineries/producers for the controlled petroleum products are claimed/surrendered (subsidy/cross-subsidy) from and to the oil pool account.

STATEMENT SHOWING THE APPLICABLE RATE OF CUSTOM/EXCISE DUTIES AND SALES TAX ON DIESEL AND DELHI.

	DIESEL	DOMESTIC LPG
CUSTOM DUTY	20%	10%
EXCISE DUTY+	16%	8%
SALES TAX	12%	8%

+ The excise duty is passed in the selling prices of diesel and domestic LPG at 12% and 8% respectively.